



Fact Sheet

U.S. Department of Agriculture
Foreign Agricultural Service

Permanent Normal Trade Relations with China **What's at Stake for Alaska?**

Alaska produces fish and solid wood products that are exported worldwide. In 1998, the state's commercial fish landings totaled \$951 million, and wood product shipments were \$504 million in 1996. As for exports, these two industries are more reliant on overseas markets than the fish and wood industries of any other state. The value of fish and wood products leaving the port of Anchorage in 1998 was \$753 million and \$174 million, respectively. Alaskan products are shipped from Seattle as well. These industries are important to Alaska's economy. They create jobs in mills and at ports, and also support jobs in related sectors, such as food processing, storage, and transportation.

Trade Benefits

The following key products are important to Alaska, and expected to reap some of the largest agricultural export gains from China's accession to the World Trade Organization (WTO).

Fishery Products--Alaska boasts the nation's largest fishing industry. China is a leading producer of fishery products and the world's largest inland aquaculture producer. Nevertheless, increased consumption has led to rising imports. Under its WTO accession agreement, China will cut its existing tariffs by up to 66 percent on fishery products by 2004. Now set at 20 percent, tariffs on frozen pacific salmon, sole, and herring will drop to 10 percent or 12 percent. Existing tariffs of 30 percent on frozen crab will fall to 15 percent and 10 percent, respectively. The 25-percent tariff on cuttle fish and squid will drop to 17 percent.

Solid Wood Products--Alaska's lumber industry is important to its economy. Spurred by the elimination of certain tariffs on logs and lumber in the 1990's, China has emerged as the world's third largest wood importer. U.S. value-added wood exports to China are at record levels. Under its WTO accession agreement, China will substantially reduce its remaining tariffs on value-added wood products by 2004. Tariffs on plywood will drop from 15 percent to 4 percent. Existing tariffs set at 18 percent on particleboard, oriented strandboard, doors, windows, and flooring will drop to 4 percent, and fiberboard tariffs, currently ranging from 12-18 percent, will drop to 4-7.5 percent.

